

BHARAT SANCHAR NIGAM LIMITED

(A Govt. of India Enterprise)

CORPORATE OFFICE (Banking Finance Division)

5th Floor, Bharat Sanchar Bhavan, Harish Chandra Mathur Lane
Janpath, New Delhi-110001

No:-1-9/BBF/Staff Loan/10-11

Dated:26.09.2011

To

All Circles' IFA


SUB : MOU WITH UNION BANK OF INDIA FOR STAFF LOAN SCHEME FOR BSNL EMPLOYEES.

BSNL has signed an MOU with Union Bank of India on 26th September 2011 for extending various loans to BSNL employees. The MOU shall be valid for one year i.e. upto 25th September 25, 2012. The rates of interest under various loan schemes are as under:

Nature of Loan	Tenure	Rate of Interest as per proposed MOU (Base rate – 10.75 %)
Housing Loan	1 to 20 Years	Base rate + 0.50% (Presently 11.25%)
Car Loan	Upto 3 Years	11.50 % (Fixed)
	3 to 5 Years	12.00 % (Fixed)
Car Loan (Old Car)	Upto 3 Years	13.00 % (Fixed)
	3 to 5 Years	14.00 % (Fixed)
Two Wheeler Loan	Upto 3 Years	11.50 % (Fixed)
	3 to 5 Years	12.00 % (Fixed)
Personal Loans	Upto 5 years	14.00 % (Fixed)
Natural Calamity	Upto 30 Months	14.00 % (Fixed)
Education Loan	Upto Rs.4 Lakhs	12.00 % (Fixed)
	Rs.4 Lakhs to Rs. 7.50 Lakhs	12.50 % (Fixed)
	Above Rs. 7.50 Lakhs	12.00 % (Fixed)

A copy of the agreement has been placed on our intranet site www.intranet.bsnl.co.in under head Director (Fin) and sub-head Budget & Finance Control

Encl: Copy of agreement


(S. Janardhan Swamy)
DGM(BF III)

Copy to:

The Asstt. General Manager, Union Bank of India, F-14/15, Connaught Place, New Delhi-110001, for information please.

भारतीय गैर न्यायिक

एक सौ रुपये

रु. 100



सत्यमेव जयते

Rs. 100

ONE
HUNDRED RUPEES

भारत INDIA

INDIA NON JUDICIAL

MEMORANDUM OF UNDERSTANDING

दिल्ली DELHI

THIS MEMORANDUM OF UNDERSTANDING is made as of this 26th P 944657 the day
of September 2011.

BETWEEN

M/s. Bharat Sanchar Nigam Limited (BSNL), a company incorporated under the Companies Act, 1956, having its registered office/corporate office at 3rd Floor, Bharat Sanchar Bhawan, Harish Chandra Maitra Lane, Janpath, New Delhi-110001, through Mr. Alok Kumar, Dy. General Manager (BF-III), (duly authorised to enter into the present MOU), hereinafter referred to as "BSNL" (which term shall mean and include its successors in title, subsidiaries, associates, affiliates, and assigns) of the **ONE PART**.

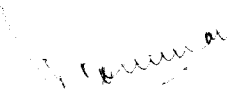
AND

Union Bank of India, a body corporate, constituted under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1970, having its head office at Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400 021, through Mr. H. K. Behera, General Manager, (duly authorised to enter into the present MOU), hereinafter referred to as "Bank" (which term shall mean and include its successors in title, subsidiaries, associates, affiliates, and assigns) of the **OTHER PART**.

BSNL and Bank are collectively referred to as "the parties".

BY UNION BANK OF INDIA


H. K. Behera
General Manager


Alok Kumar
Dy. GM BF III


WHEREAS:

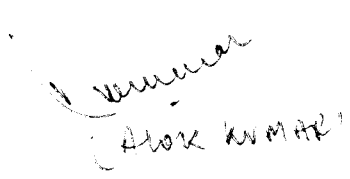
1. M/s. Bharat Sanchar Nigam Limited (BSNL) is a company incorporated under the Companies Act, 1956 and has its registered office/corporate office at 3rd Floor, Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi-110001. BSNL is the largest telecom operating company in India having 3.2 lakhs employees across the country.
2. To benefit its employees, BSNL desires a Special Loan Package for its entire staff strength on All India basis.
3. In pursuance of the above, vide letter no. 1-1|BBF|CMS|2009 dated 19th July 2011, BSNL invited Bank's proposal for various loans facilities for its employees on all India basis.
4. Vide letter no. GBC:DEL:1501:10 dated 12.09.2011, Bank submitted its proposal incorporating the basic terms and conditions governing the loan along with the specimen copies of the agreements/documents required to be signed by BSNL's employee(s) (hereinafter referred to as the "Borrower(s)") at the time of taking the loan.
5. Consequently, Bank has, at the request of BSNL, agreed in principle to lend and provide loan facilities to BSNL employees/Borrower(s), on the terms and conditions set out in the letter of offer no. GBC:DEL:1501:2011 dated 12th Sept. 2011.
6. The Loan will be evidenced by the Loan Agreement and other Loan Documents (hereinafter referred to as the "Loan Documents") to be executed between Bank and Borrowers. In consideration of the loan facilities, the parties have agreed to execute the present Memorandum of Understanding on the terms and conditions mentioned below:

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. That Bank shall grant the loan to BSNL's employee(s) under the various head as per their requirement and the same are as follows:
 - (a) Housing Loan including Repair/Renovation/Additon/Alteration Loan & Home Improvement Loan.
 - (b) Car Loan
 - (c) Two Wheeler Loan

For UNION BANK OF INDIA


(H.K. DUTT)
General Manager


Alok Kumar

- (d) Personal Loan
- (e) Educational Loan
- (f) Natural Calamity Loan

The loans under the various heads as mentioned above are collectively referred to as the "loan facilities".

2. That the general terms and conditions, Purpose of loan, Maximum amount, Margin Money, Multiple of salary, Recovery of installments (EMI+Interest) and Eligibility etc. w.r.t. the loan facilities applicable in respective cases are annexed herewith as Annexure - I.
3. That the Financial Quotations i.e. Floating Rate of Interest, Fixed rate of Interest and Average time for Loan Sanction, for the loan facilities applicable in respective cases are annexed herewith as Annexure – I.
4. That the loan facilities shall be sanctioned by the appropriate authorities of the Bank with all the agreed concessions and relaxations.
5. That the maximum limits for the loan facilities are subject to the income/repaying capacity of Borrowers.
6. That the security for the loan facilities shall be as applicable on the respective schemes.
7. That salary mandate to be registered by BSNL for recovery of installments from the salaries of Borrowers and remittance to the respective branches.
8. That minimum net take home salary of 25% shall be maintained after meeting the loan installments.
9. That the loan shall be sanctioned in such a manner that at no stage the net take home salary after meeting loan installment is less than 25% of the gross salary after meeting all liabilities/deductions viz. GPF,EMI, Income Tax, Insurance etc. In case of reemployed persons/persons employed on compassionate ground, pension of employee shall be included for calculating 25% carry home salary.
10. That in case of retirement/resignation/termination/death of Borrower, BSNL undertakes not to release terminal benefits without obtaining prior written "No Objection Certificate" from the financing branch of Bank.
11. That the Bank shall not charge processing charges on the loan.


For BSNL BANK OF INDIA

(Signature)
(General Manager)

(Signature)

12. That the Bank shall charge the interest on monthly rests on the daily reducing balance basis. DDOs must pay the recovered amount of EMI from the salary of the employee latest by 10th of each month without fail. When the concerned DDO has made payment within due time, Bank shall not pass on interest charges to the borrowers owing to delay on bank's behalf.
13. That fixed rate of interest shall remain fixed during the entire tenure of the loan subject to reset clause at an interval of every 3 years.
14. That Bank shall not charge penal interest for prepayment/foreclosure of loans in case the employee pays back the loan from his/her own sources. In case loan is taken over by other bank/institutions prepayment penalty @ 2 % p.a. for the outstanding loan amount will be levied.
15. That repayment shall commence one month after disbursal of the loan.
16. That this deed shall be binding upon the parties, their successors and assigns.
17. That any notice, demand or request under this deed shall be in writing, and shall be delivered by personal service or shall be sent by postage prepaid, registered or certified mail, telexed, telecopied or sent by person or overnight courier return receipt requested, addressed, if to the parties, at the respective address set forth in the heading of this deed, or at such other address as the addressee may designate in writing. Each notice, demand or request hereunder shall be deemed given on the date it is delivered, in the case of personal service, or the date it is deposited with the Postal Service, in the case of certified or registered mail.
18. That the parties shall hereby irrevocably submit to the exclusive jurisdiction of the Court and Tribunals in New Delhi for purposes of any suit, action or other proceeding which relates to this deed.
19. That no amendment, notification or release from or waiver of any provision hereof shall be effective unless in writing and signed by the parties.
20. That this deed may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
21. That this deed and the rights and obligations hereunder shall be construed in accordance with and governed by the substantive laws of the India.


For UNION BANK OF INDIA



(H. K. BEHERA)
General Manager


(H. K. BEHERA)

22. If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable it shall be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent it is not prohibited or unenforceable, nor invalidate the other provisions hereof.
23. In the event of any dispute or difference relating to; arising from or connected with this MOU, such dispute or difference shall be referred by either party to the arbitration of one of the Arbitrators in the Department of Public Enterprises to be nominated by the Secretary to the Government of India, in charge of Bureau of Public Enterprises. The Arbitration and Conciliation Act 1996 shall not be applicable to the Arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside on revision of award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice, Government of India. Upon such reference, the dispute shall be decided by the Law Secretary, whose decision shall bind the parties finally and conclusively. The parties in the dispute will share equally the cost of arbitration as intimated by the Arbitrator.
24. That the bank shall nominate at least one branch (in case their more than one branch of the bank) at each Secondary Switching Area (Telecom Revenue District) for sanction, payment of loan and payment of EMI recovered by BSNL. This MOU shall be binding upon both the parties on all India level.
25. Either party can terminate the MOU by giving a notice of 90 days in writing. However, all the clauses of the MOU shall be binding and enforceable in respect of outstanding loans on the date of termination irrespective of such termination.
26. All other terms and conditions as per MOU shall be applicable on both the parties.
27. This agreement is valid for a period of twelve months i.e. upto
..25th..September..2012.....

For UNION BANK OF INDIA


(H. K. BEHERA)
General Manager


(H. K. BEHERA)
24/09/12

IN WITNESS WHEREOF, the parties have caused their respective Common Seal to be affixed to these presents on the day, month and year first hereinabove written, at New Delhi.


BHARAT SANCHAR NIGAM LIMITED



(Alok Kumar)
Dy. General Manager (BF-III)
B. S. N. Ltd., New Delhi

UNION BANK OF INDIA

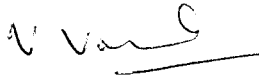
For UNION BANK OF INDIA



(H. K. BEHERA)
General Manager

(H. K. Behera)
General Manager
GBC, New Delhi

Witness



(V. Varaprasad)
Asst. General Manager (BA & CI)
B.S.N. Ltd., New Delhi

Witness



(Dusmanta Sahoo)
Senior Manager
Union Bank of India
GBC, New Delhi

Annexure 1

The product-wise details are as given below:

UNION HOME

Rate of interest : Existing norms of **Base Rate + 0.50%** across all slabs/ tenures to continue. Base Rate is presently 10.75%.

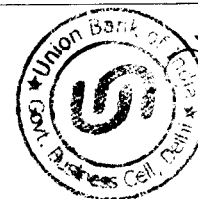
Other features for Home Loan

Feature	Particulars
Margin	20%
Eligibility	Permanent employees having 2 Years of Regular service including persons on permanent deputation from DOT to BSNL
Quantum of Loan	100 Time Basic Pay Subject to maximum of Rs. 50.00 lakhs
Purpose	Purchase of plot from Housing Board / Development Agency / Private Builders and construction of house thereafter Construction of house / flats repairs / renovation addition / alternation of house / flats or purchase of old / new flats / house.
Repayment Period	Maximum 240 months
Minimum take home pay after all Deduction including present EMI	Take home pay of employees should not be less than 25% of the total emoluments after all deductions Including GPF, GSLI, Income Tax, EMI etc.
Processing Charges	No processing charges
Pre - payment penalty	No pre-payment penalty in loan repaid through own sources. If taken over by other banks / FIs, then 2% pre penalty to be charged.
Security	EM or simply mortgage of house / flat.

UNION EDUCATION

Rate of Interest

Features	Particulars
Loan Amount	Both male & Female
Up to Rs. 4.00 lakhs.	12.00 % (Fixed)
Above Rs. 4.00 up to Rs.7.50 lakhs	12.50 % (Fixed)
Above Rs.7.50 lakhs	12.00 % (Fixed)



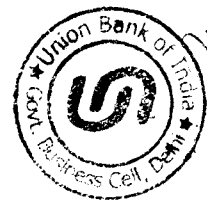
Other features:

Features	Particulars	
Co-applicant	Employee parent to be the co-applicant	
Quantum of loan	Rs. 10.00 lakhs for inland studies Rs. 20.00 lakhs for studies abroad	
Margin	Nil up to Rs. 4.00 lakhs 5% for inland Studies for the loan above Rs. 4.00 lakhs 15% for studies abroad for the loans above Rs. 4.00 lakhs	
Assignment of life insurance policy	Assignment of policy equivalent of loan amount .	
Pre-payment penalty	No pre-payment penalty.	
Repayment period	Maximum 84 months. Repayment period to start 12 months after completion of course or 6 months after securing a job whichever is earlier.	
Security	Loan Amount	Security
	Upto Rs. 4.00 lakhs	Nil
	Above Rs.4.00 lakhs up to Rs.7.50 lakhs	Collateral Security in the form of a Suitable third party guarantee
	Above Rs.7.50 lakhs	Collateral Security to suitable value

UNION MILES

Rate of Interest

Features	Particulars		
	2 - Wheeler	4 - Wheeler (New)	4 - Wheeler (Old)
Tenure in Years			
Up to 3	11.50% (Fixed)	11.50% (Fixed)	13.00% (Fixed)
Above 3 up to 5	12.00% (Fixed)	12.00% (Fixed)	14.00% (Fixed)



Other Features:

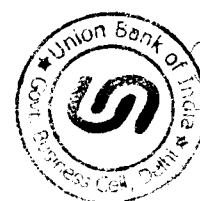
Features	Particulars	
	2 - Wheeler	4 - Wheeler
Eligibility & Quantum of loan	10 time of basic pay, maximum Rs. 0.50 lakh	20 time of basic pay, maximum Rs. 5.00 lakhs
Margin	10% of ex- showroom price (new)	New vehicle: 15% of ex-showroom price. Old vehicle: 50%.
Minimum Take home pay after all deductions including EMI for this Loan	The minimum take home pay of the applicant shall be 25% of all emoluments Inclusive of all deductions	The minimum take home pay of the applicant shall be 25% of all emoluments Inclusive of all deductions
Processing Charge	No processing charges	No processing charges
Repayment tenure	Max. 60 months	Max. 60 months
Pre-payment penalty	No pre-payment penalty in loan repaid through own sources. If taken over by other banks/ Fls, then 2% pre penalty to be charged.	No pre-payment penalty in loan repaid through own sources. If taken over by other banks/ Fls, then 2% pre penalty to be charged.
Security	As required under union miles scheme	As required under union miles scheme

UNION COMFORT

Rate of Interest: 14% (Fixed)

Other features:

Features	Particulars
Eligibility & Quantum of loan	10 times of monthly gross pay subject to a maximum of Rs. 5.00 lakhs.
Processing Charges	No Processing charges.
Minimum take home pay after all deduction including EMI for this lone	The minimum take home pay of the applicant shall be 25% of all emoluments Inclusive of all deductions.
Repayment Period	Maximum 60 months provided loan tenure ends before the retirement of employee.
Pre-payment penalty	No pre-payment penalty in loan repaid though own sources. If taken over by other banks/ Fls, then 2% pre penalty to be charges
Security	Hypothecation of asset wherever applicable.



[Handwritten signature]

[Handwritten mark]

NATURAL CALAMITY LOAN

Natural calamity loans introduced as the disaster / calamity in certain pockets of affected areas for specific period as per government directives. There is no specific scheme in our bank.

Rate of interest: 14.00% (Fixed)

Other features:

Features	As per existing MOU
Eligibility & Quantum of loan	5 times of basic pay Subject to a maximum of Rs. 50000 to the employees whose family is affected in natural calamity
Margin	Nil
Repayment: Period	Maximum 30 months
Pre-payment penalty	No Pre-payment penalty
Security	Nil

